

FISCAL MEMORANDUM

HB 1543 – SB 2086

April 11, 2008

SUMMARY OF AMENDMENT (016314): Deletes the language of the original bill. Requires all motor vehicle registration tax revenue, except for portions earmarked for the Police Pay Supplement Fund, and fee revenue derived from the issuance of temporary operator permits be apportioned to the Highway Fund. Requires all gasoline tax revenue which is currently apportioned to the General Fund be reapportioned to the Highway Fund. Requires all interest earnings of the Highway Fund to remain part of the Highway Fund instead of reverting to the General Fund.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenues - \$6,260 General Fund
\$28,740 Dedicated Funds

Increase State Expenditures - \$6,260 One-Time

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Revenue - \$2,340,000

Increase Local Revenue - \$2,340,000

Other Fiscal Impact – A shift of approximately \$54,360,000 from the General Fund to the Highway Fund.

Assumptions applied to amendment:

- Motor vehicle registration revenue is currently estimated to be \$263,000,000 in FY08-09 (Governor's Budget Document), with \$48,400,000 apportioned to the General Fund, \$200,000 apportioned to the Education Fund, and \$214,400,000 apportioned to the Highway Fund.
- The \$48,400,000 currently estimated to be apportioned to the General Fund includes funding earmarked for the Police Pay Supplement Fund.

- The Department of Revenue indicates that funds to the Police Pay Supplement Fund were approximately \$5,759,700 in FY06-07. Such funds are estimated to be \$6,000,000 for FY08-09.
- The Department of Revenue indicates that approximately \$2,340,000 of the \$48,400,000 currently apportioned to the General Fund for FY08-09 will shift to local governments pursuant to Section 7 of this amendment.
- It is estimated that approximately \$40,060,000 (\$48,400,000 less \$6,000,000 earmarked for the Police Pay Supplement Fund and less \$2,340,000 that will be apportioned to local governments) will be reapportioned from the General Fund to the Highway Fund.
- Gasoline tax revenue is currently estimated to be \$609,100,000 in FY08-09 (Governor's Budget Document), with \$9,300,000 apportioned to the General Fund, \$278,400,000 apportioned to the Highway Fund, \$88,700,000 apportioned to the Debt Service Fund, and \$232,700,000 apportioned to cities and counties.
- It is estimated that the \$9,300,000 apportionment to the General Fund for FY08-09 would be reapportioned to the Highway Fund.
- Based on information obtained from the Department of Transportation, interest earnings on the Highway Fund balance are estimated to be approximately \$5,000,000 in FY08-09. Currently, these interest earnings are allocated to the General Fund.
- The decrease of revenue to the General Fund and the offsetting increase of revenue to the Highway Fund is estimated to be \$54,360,000 per year (\$40,060,000 from motor vehicle registration revenue + \$9,300,000 from gasoline tax revenue + \$5,000,000 interest earnings = \$54,360,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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